

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D.C.



REPLY TO
ATTN OF:

OSA-4242-65
#1705

SUBJECT:

REPLY TO:
Audit Liaison Office
P. O. Box 8155
S. W. Station
Washington, D. C.

TO:

26 October 1965

*as memo 20
SP-1923.*

SUBJECT: Shop Labor Rates Under Certain T & M Contracts
Lockheed Aircraft Corporation
Burbank, California
Period: 28 December 1964 to 27 June 1965

1. A question was raised by our auditors at LAC regarding the rate proposed by the contractor for shop-mechanic classification during the period ending 27 June 1965.

2. During a recent visit by the undersigned to the contractor's plant, a review was made of the actual labor costs incurred under the T & M contracts in question and it was found that the actuals were in excess of the rates proposed by the contractor.

3. During a discussion with the contractor and our local auditor, it was agreed that the contractor's proposed rate in the shop-mechanic classification would be recommended for acceptance. Therefore it is requested that a copy of this memorandum be appended to each of the audit reports wherein the aforesaid rates were questioned to indicate that they are now considered acceptable. This applies to the following:

<u>Date</u>	<u>Audit Report</u>	
	<u>No.</u>	<u>Contract No.</u>
5 Oct.	4036	FT-21
5 Oct.	3805	CON 200
5 Oct.	3803 3078	SP 1923 ✓
		JET 250
5 Oct.	3801	SP 1922

William F. Edwards

WILLIAM F. EDWARDS
Auditor General Representative (APL)

[USAF review completed]